

STATE OF CALIFORNIA



**MEMO**

**To : POLICY AND PROCEDURE COMMITTEE  
DAVID WILSON, CHAIR  
GLENN STEVENS, MEMBER**

**Date: February 28, 2013**

**From : WILLIAM BRENNAN  
ROBIN PARKER**

**Subject: PROPOSED REGULATIONS INCREASING THE ANNUAL BOARD FEE  
(13 CCR §§ 553 and 553.20)**

The Board staff is proposing the following regulatory amendments to address the current shortfall in the collection of the Board's annual fees. In agenda item 15, the staff presented two options with regards to the manufacturer and distributor fees as reflected below:

**Option 1:**

**§ 553. Annual Board Fee.**

(a) Pursuant to section 11723 of the Vehicle Code, every applicant for a license as a new motor vehicle dealer or dealer branch, and every applicant for renewal of a license as a new motor vehicle dealer or dealer branch, shall pay to the department for each issuance or renewal of such license, the sum of ~~\$300.00~~ 400.00, per year of licensure, in addition to all other fees now required by the Vehicle Code.

For the purposes of this section, a dealer or dealer branch which is enfranchised to sell both new motorcycles and new motor vehicles other than motorcycles shall be subject to a licensing fee for sales of motorcycles and a licensing fee for sales of motor vehicles other than motorcycles.

(b) Pursuant to section 3016 of the Vehicle Code, every new motor vehicle manufacturer and distributor shall pay to the Board an annual fee of ~~\$-45 .60~~ per new motor vehicle distributed by the manufacturer or distributor which was sold, leased, or otherwise distributed in California to a consumer of such new motor vehicles during the preceding calendar year, provided, that the fee to be paid by each manufacturer or distributor shall not be less than \$300.00 if 1-250 vehicles were distributed and \$450.00 if 251-806 vehicles were distributed.

The board may waive fees for a new motor vehicle manufacturer or distributor licensed in California, based on a determination that the manufacturer or distributor either does not sell vehicles in California or does not have an independent dealer or dealer branch in California.

NOTE: Authority cited: Section 3050(a), Vehicle Code. Reference: Sections 3016 and 11723, Vehicle Code.

§ 553.20. Determination of Annual Board Fee.

Upon receipt of the information required by Section 553.10(a), or as determined by Section 553.10(b), the Board shall calculate the Annual Board Fee to be paid by each manufacturer and distributor by multiplying the annual fee per vehicle (as set forth in Section 553(b)) by the number of new motor vehicles distributed by the manufacturer or distributor in the preceding calendar year provided, that the fee to be paid by each manufacturer or distributor shall not be less than \$300.00 if 1-250 vehicles were distributed and \$450.00 if 251-806 vehicles were distributed. The Board shall thereafter send a written notice by regular mail or electronic-mail to each manufacturer and distributor stating the number of new motor vehicles distributed by the manufacturer or distributor and the amount of the fee to be paid.

Payment of the fee shall be made to the New Motor Vehicle Board no later than thirty (30) days after the date of receipt of the notice.

NOTE: Authority cited: Section 3050(a) and 3016, Vehicle Code. Reference: Sections 3016 and 3050(a), Vehicle Code.

**Option 2:**

§ 553. Annual Board Fee.

(a) Pursuant to section 11723 of the Vehicle Code, every applicant for a license as a new motor vehicle dealer or dealer branch, and every applicant for renewal of a license as a new motor vehicle dealer or dealer branch, shall pay to the department for each issuance or renewal of such license, the sum of ~~\$300.00~~ 400.00, per year of licensure, in addition to all other fees now required by the Vehicle Code.

For the purposes of this section, a dealer or dealer branch which is enfranchised to sell both new motorcycles and new motor vehicles other than motorcycles shall be subject to a licensing fee for sales of motorcycles and a licensing fee for sales of motor vehicles other than motorcycles.

(b) Pursuant to section 3016 of the Vehicle Code, every new motor vehicle manufacturer and distributor shall pay to the Board an annual fee of ~~\$.45~~ \$.60 per new motor vehicle distributed by the manufacturer or distributor which was sold, leased, or otherwise distributed in California to a consumer of such new motor vehicles during the preceding calendar year, provided, that the fee to be paid by each manufacturer or distributor shall not be less than \$300.00 if 1-50 vehicles were distributed; \$350.00 if 51-250 vehicles were distributed; \$400.00 if 251-550 vehicles were distributed and \$450.00 if 551-806 vehicles were distributed.

The board may waive fees for a new motor vehicle manufacturer or distributor licensed in California, based on a determination that the manufacturer or distributor either does not sell vehicles in California or does not have an independent dealer or dealer branch in California.

NOTE: Authority cited: Section 3050(a), Vehicle Code. Reference: Sections 3016 and 11723, Vehicle Code.

§ 553.20. Determination of Annual Board Fee.

Upon receipt of the information required by Section 553.10(a), or as determined by Section 553.10(b), the Board shall calculate the Annual Board Fee to be paid by each manufacturer and distributor by multiplying the annual fee per vehicle (as set forth in Section 553(b)) by the number of new motor vehicles distributed by the manufacturer or distributor in the preceding calendar year provided, that the fee to be paid by each manufacturer or distributor shall not be less than

\$300.00 if 1-50 vehicles were distributed; \$350.00 if 51-250 vehicles were distributed; \$400.00 if 251-550 vehicles were distributed and \$450.00 if 551-806 vehicles were distributed. The Board shall thereafter send a written notice by regular mail or electronic-mail to each manufacturer and distributor stating the number of new motor vehicles distributed by the manufacturer or distributor and the amount of the fee to be paid.

Payment of the fee shall be made to the New Motor Vehicle Board no later than thirty (30) days after the date of receipt of the notice.

NOTE: Authority cited: Section 3050(a) and 3016, Vehicle Code. Reference: Sections 3016 and 3050(a), Vehicle Code.

If the Board adopts the proposed regulatory changes, the staff will proceed with the rulemaking process as delineated in Government Code section 11340, et seq. Updates concerning the status of the rulemaking process will be provided at future Board meetings during the Administrative Matters portion of the Executive Director's Report.

This matter is being agendized for consideration at the March 13, 2013, General Meeting. If you have any questions or require additional information, please do not hesitate to contact me at (916) 324-6197 or Robin at (916) 323-1536.

cc: Bismarck Obando, President